GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:172
ANSWERED ON:23.11.2005
ACQUISITION OF COAL MINES IN FOREIGN COUNTRIES
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Will the Minister of COAL be pleased to state:

(a) Whether the Coal India Limited proposes to acquire coal mines abroad ;

(b) if so. the details thereof and the reasons therefor ;

(c) the names of the countries from which coal is presently being imported and the terms and conditions therefor: and

(d) the extent to which acquiring of coal mines abroad will impact import from these countries and the estimated foreign exchange likely to be saved as a result of it ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR.DASARI NARAYANA RAO)

(a) Yes. Sir.

(b) Coal India Limited (CIL) is contemplating to exploit reserves of good quality coking coal and low ash non-coking coal in foreign countries, through its proposed subsidiary `COAL VIDESH`. CIL envisages to invest in prospective coal business opportunities abroad pertaining to good quality coking and low ash thermal coal reserve, which are either domestically scarce or, if available, are not viable to be techno-commercially exploited. CIL proposes to import its produce from foreign operations and become the dominant player in the imported coal market with a view to enhance the energy security of the nation.

(c)Coal is not being imported by CIL.Since duty on imported coal has been substantially reduced, many consumers are importing coal from inter-alia Indonesia, Australia, South Africa. China as per the terms and conditions negotiated by them with the suppliers.

(d)With acquisition of coal mines in overseas countries and import of produce from such acquisitions to India, it would be possible to secure the long term supplies of types of coal imported to India. However, issues of foreign exchange savings arising out of such acquisition is dependent on combination of various factors including future coal market trends and cannot be estimated as such at this juncture.